State of Minnesota \ LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

April 28, 1977 Meeting Room 112, Capitol - 6:30 P.M

MINUTES

The chairman, Al Patton, opened the meeting.

PRESENT: Representatives, Al Patton, David Beauchamp, John Biersdorf, Donald Moe, Leo Reding Senators Ogdahl, Stokowski, Strand, C. Peterson, Renneke

Als present: Dr. Franklin Smith

Dr. Smith went over material re TRA Projections. The Dept. of Finance and the proper committees of the House and Senate will be given copies of this material.

HF 1219 (Simoneau); SF 1011 (Schaaf); HF 1541 (Simoneau) <u>Columbia Heights Firemen's Relief Assn. (Paid and Volunteer)</u> The proposal would separate the relief association into two divisions--one for paid firefighters and one for volunteers.

Rep. Beauchamp moved to strike Section 2. Bill as amended was recommended to pass and inserted into SF 181--the Omnibus bill.

HF 1151 (Waldorf) Purchase of Prior Service Credit in PERA-P&F by Certain_ Ramsey County Sheriff's Deputies_

The proposal would affect deputy sheriffs in Ramsey County who could appropriately have been covered by the PERA P&F for service in the department prior to 1/1/70 who instead were covered by the PERA regular fund. The proposal would allow them to transfer their pre-1970 pension credit from PERA's regular fund to the police and fire fund by paying to PERA the difference.

The bill was recommended to pass as amended and inserted into SF 181.

HF 1486 (Beauchamp) Technical Amendments to the Police State Aid Program Bill makes a number of technical amendments required to correct ambiguities in the 1976 revision of the police state aid program as requested by the Tax Audit Division of the Insurance Department. Chief amendments include consolidating the various elements used in defining a police officer for purposes of the aid distribution into a single definition, apportionment of aid for municipalities which contract for police service, and specifying limits on the proper uses of the police state aid.

The bill was laid over. (5/3/77 included in SF 181 Omnibus Bill)

Amendment to Chapter 352: Inclusion of Employeed of Labor Organizations Representing state employees in MSRS

The proposed amendment would allow former MSRS members who are now employed by a state bargaining representative to continue to be covered by MSRS. It would also allow existing employees to purchase prior service credit with the bargaining representative.

The amendment was recommended to be adopted. (SF 181)

HF 1156 (Fugina); SF 1046 (Hughes) Coverage by the Unclassified Plan by Certain Employees of the Higher Education Coordinating Board This proposal would include unclassified employees of the Higher Education Coordinating Board in the MSRS Unclassified Program rather than the MSRS regular plan.

It was decided to study this subject during the interim. (Later included in SF 181 at May 3rd meeting)

HF 792 (Fugina); SF 750 (Johnson) Inclusion of Employees of the Range Municipalities Assn. in PERA The bill provides that employees of the Range Municipalities and Civil Assn. shall become members of PERA, effective 7/1/77.

The bill was laid over. (pertains to a lawyer)

SF 908 (Ogdahl) Proportionate Annuity for Constitutional Officer This proposal would allow a proportionate annuity (upon repayment, with interest, of any refund, from the elective state officers retirement plan under certain limited circumstances. Applies to one individual who moved from a position covered by MSRS to an elected constitutional office.

Bill was recommended to pass.

HF 1308 (Moe) Repeal of Various Mandatory Retirement Provisions The bill repeals or strikes the mandatory retirement provision in statute for members of the first class city firemen's relief assns., the Mpls. Mun. Employees, the MSRS, Highway Patrol, TRA, First Class City TRA's, first class city police and firemen's relief assns., the 4th class city police, judges.

The bill was laid over for interim study.

HF 164 (Arlandson); SF 110 (Lewis) Proportionate Annuity for Certain Employees of the Hennepin County District Court

Provides that an employee of the Hennepin County District Court who is at least age 65 and has 7 years service credit with PERA following part-time intermittent service with the court shall be entitled to a proportionate annuity under Section 356.32. Shall be retroactive to 8/1/76.

Ogdahl moved that HF 164 be recommended to pass. Carried.

HF 309 (Patton); SF 132 (Stokowski) Purchase of Prior Service by Intermittent and Other Legislative Employees

The bill extends the purchase of prior service time for permanent legislative employees with prior intermittent service which was enacted in 1975. In addition, an amendment has been requested to allow a purchase of prior service by permanent legislative employees who previously served the legislature and were employed by National Legislative Reform organizations on model staffing projects--amendment concerns 2 to 4 employees

Sen Renneke moved that on line 12, after "legislature" insert "state civil service". Carried.

Rep. Biersdorf moved that HF 309 as amended be recommended to pass. Carried

HF 847 (Patton) Early Normal Retirement for Certain Military Affairs_ Department Personnel

The bill provides that employees of the military affairs department who are required to retire at age 60 under federa 1 law shall be entitled to receive an unreduced normal retirement at age 60. Employees who will be entitled to retire early under this provision are required to make an additional 1% employee contribution, to be matched by an additional 1% employer contribution.

HF 907 (Patton); SF 1030 (Stokowski) Authorization of Dues Deduction on Behalf of Retirement Benefit Improvement

This bill provides that any public employee may request (voluntary or revocable) the deduction of dues for an employee organization established to promote improved public retirement benefits by his public employer on the same basis as union dues and charitable contributions are now made.

Rep Moe move to lay HF 907; SF 1030 over.

HF 793 (Reding); SF 554 (Olhoft) Earnings Limitation on Reemployed HF 362 (Kalis); SF 1160 (Penny) PERA Annuitants

Under present law, if a PERA employee retires and starts drawing a pension benefit and then becomes reemployed in a non-elective governmental position ordinarily covered by PERA, there is an earnings limitation of \$3,000 per year, i.e., as soon as the earned income from the new job exceeds \$3,000 in any calendar year, the annuity stops for the rest of the year.

MSRS has the same earnings limit as PERA, with an exception for temporary employees of the legislature; TRA has an entirely different type of earnings limit.

The bills were laid over for interim study.